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MEMORANDUM FOR: ER

EXDIR hand delivered the "Official Use Only" letter to Carlucci evening 17 Dec. Carlucci kept letter, read and returned classified annex (working copy).

1. ES ~~HB~~

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Date

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Central Intelligence Agency



Washington, D.C. 20505

Executive Registry

86- 5911

18 December 1986

The Honorable Frank C. Carlucci
Assistant to the President for
National Security Affairs - Designate
The White House
Washington, D.C. 20500

Dear Frank:

Given the current situation about NSC Staff "operations," there is little question that a prohibition on operational activities by the staff is desirable, although essential Presidential prerogatives obviously will have to be preserved. Such a prohibition should effectively address your most immediate image and credibility problem.

Beyond that, some will say that the [] directed program needs to be revised; they would solve problems here by sharing covert action decisionmaking responsibility among a broader range of officials...by getting more people involved in the review process. The argument is that better decisions emerge from having more people involved, and that, in any case, this is not the time to be seen to be having fewer people in the know on covert activities.

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We see this problem quite differently. We think having more people involved will greatly exacerbate an already very desperate leaks problem, which is what caused the Executive to try to depart from the normal covert action mechanisms in the first place. In our view, there is little wrong with the [] specified process, aside from there being too wide a circle of reviewers. The problem was with people working around the system--not with the system itself. The issue is one of responsibility and control, and the associated problem of leaks, which are damaging to US and Presidential credibility and costly in terms of money and lives.

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This being the case, we think that present procedures need to be tightened--that confidence in the present system needs to be restored through tighter control and accountability. We think this can be accomplished by forcing a smaller number of higher level people to be held accountable for covert action approvals [redacted] and by ourselves providing necessary staff support to the principals, turning away from the use of lower level or "staff" focal points. We see better covert action decisions emerging from a smaller group of the right people being held directly accountable for the decisions made, with a gatekeeper controlling the paperflow and ensuring for you that the specified people are fully consulted. This can be accomplished through relatively small changes in the existing language [redacted]

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Sincerely,

[redacted]
Executive Director

cc: Mr. Adelman, D/ACDA

EXDIR:RC:smg (18 Dec 86)

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The Director of Central Intelligence

Washington, D. C. 20505

UDAC 86-186

17 DEC 1986

The Honorable Frank C. Carlucci
Assistant to the President for
National Security Affairs - Designate
The White House
Washington, D.C. 20500

Dear Frank:

I would like to take a few moments to apprise you of a situation I have discussed many times with the President, the Secretaries of State and Defense, the Attorney General, and the NSPG--the problem of unauthorized disclosures of classified intelligence in the news media. This has become one of the most severe, enduring, and intractable problems we face in this business. You are intimately familiar with the damage such disclosures cause to our technical collection systems, human sources, information exchanges with foreign intelligence services, and the security system that protects sensitive secrets, not to mention the heavy burden in cost to the taxpayer that results.

The disclosure of classified intelligence to the media is endemic to Washington. During my tenure alone, we have detected more than 500 such incidents.

We have taken a number of procedural steps to alleviate the problem, and have obtained the support of the Attorney General and the Director of the FBI. Attorney General Meese has speeded up Justice Department transmittal of leak reports to the FBI, and Director Webster has designated a special team for leak investigations. Nevertheless, there appears to be a widespread lack of security discipline and the political will to act against those who give classified information to the media. Strong examples and strong measures are needed to provide leadership in this area.

You are in a position to help with this problem, early on, at least in the NSC Staff and, perhaps, throughout the Government. In the NSC context, you could, among other things:

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- Establish a requirement that all NSC personnel be polygraphed before assignment and/or agree to undergo polygraph examination upon direction. (Such an agreement would have provided a basis for action in the recent case of the NSC staffer who declined to cooperate with the investigation of the leak of [redacted])

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- Revitalize the need-to-know principle with a policy that anyone discussing classified matters with someone without an official need to know will be reprimanded and, in the case of a further offense, removed from the NSC Staff.
- Establish strict document control, giving the NSC Registry full authority to trace all documents in the staff. Fortify this with a complete review and inventory of the present document holdings of each staff member.
- Establish a strong, experienced, professionally-staffed security office for the NSC responsible for the security of all assigned personnel. It would report directly to you on security issues, updated investigations, potential problems, and adherence to security principles and procedures.
- Require that all inquiries from media representatives be reported to the NSC Security Officer and that continuing contact with media representatives be made a matter of record with the NSC security office.

I believe such steps would go far to change the present permissive atmosphere on the NSC Staff and demonstrate that you are serious about ensuring that the Staff is not the source of damaging leaks.

Other basic needs in the broader struggle to counter the unauthorized disclosure of classified information would benefit greatly from your support. These include such things as:

- More effective legislation to penalize the unauthorized disclosure of classified intelligence by federal employees. Use of the Espionage Act for this purpose is controversial and ineffectual (one conviction in almost 70 years).
- Government-wide acceptance of a polygraph examination as a requirement for access to sensitive compartmented information.

*Frank -
we had a
full-time
Security Officer
the entire 6 yrs
I was on the
NSC under
Nixon, Ford & Carter
Re.*


- A strict policy, with implementing procedures, requiring the coordination of classified information before it is released to the news media to ensure that damage is minimized and, in the case of intelligence information, that sources and methods are protected.
- A uniform, Government-wide policy on media relationships, including contacts, "backgrounders", attribution, anonymity, and other factors possibly conducive to unauthorized disclosures.
- The application by agency heads of more manpower to preliminary investigations in support of the enhanced FBI effort on leaks.

We are already at work on most of these initiatives. Your support would be invaluable in furthering these efforts to stem the flow of properly classified information to the press and into the hands of hostile intelligence services and terrorist groups. Our goal is to protect against disclosure of classified information to unauthorized individuals, not to interfere with those who have legal responsibilities for overseeing our activities. I and my staff would be glad to pursue this subject further with you at an early opportunity.

Yours,



William J. Casey



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Bill might not sign these exact words but the problem and the specific measures suggested are things he feels very strongly about and will press.

Rg.

SUBJECT: Ltr to Honorable Frank C. Carlucci

Prepared by: UDAC, [REDACTED] /17 DEC

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UDAC 86-186

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ANNEX

Unauthorized Disclosures of Classified Intelligence

Unauthorized disclosures damage our credibility at home as well as abroad, damage our relations with allies, our foreign policy and our intelligence capabilities. They also cost us money and lives. The damage resulting from unauthorized disclosure is often invisible--sometimes remaining undetected until our adversary decides to act. The following paragraphs cover some of the more flagrant cases involving the unauthorized disclosure of classified intelligence information in recent years.

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A Washington Post article by Bob Woodward credited to "informed government sources,"

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While much of the article was factually incorrect, it was accurate enough to cause significant problems

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Most damaging were the references to the US working with Third-World parties

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The disclosure crippled the US initiative and made the continued cooperation almost impossible.

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These leaks resulted in serious problems for US Government relations with the countries and companies involved,

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[redacted] Unauthorized disclosures [redacted]

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[redacted] resulted in the loss of reporting from our principal human source on this subject. [redacted]

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[redacted] significantly narrowed the possible sources of the information. [redacted]

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[redacted] reporting reveals that [redacted] an all-out investigation to find the source of US intelligence [redacted] The investigations failed, but the source developed cold feet. [redacted]

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[redacted] Media reporting was extremely accurate; [redacted] source description was the same as that in the disseminated intelligence report, indicating [redacted] had access to the actual report or that it had been read [redacted] This put the source in extreme danger, risked the safety of [redacted] and threatened the success of any US Government rescue attempt. [redacted]

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[redacted] Stories in [redacted]

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[redacted] contained unauthorized disclosures about the role of a highly sensitive Chinese defector [redacted]

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[redacted] The fact of this defection had been carefully protected, even within the Intelligence Community. Citing "government sources," [redacted]

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~~TOP SECRET~~

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[redacted]
[redacted] The leak violated our agreement that the defection not be publicly surfaced--a particularly sensitive issue [redacted]
These two cases must make other potential defectors think hard about promises of security for them and their loved ones if they come across. [redacted]

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[redacted] Press stories on [redacted]
[redacted] contained a number of significant SIGINT disclosures. The most egregious [redacted] describing our ability to intercept telephonic communications [redacted]
[redacted] These disclosures not only severely exacerbated the United States' difficulty [redacted] they also posed serious domestic political problems for [redacted]

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[redacted] the wholesale leakage of classified intelligence in numerous stories [redacted] terrorism dramatically underscored the problem of trying to maintain secrecy. [redacted]

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[redacted] the Washington Post [redacted]

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[redacted] cited "half a dozen . . . informed sources." [redacted]

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[redacted] government's purchase of a [redacted]

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Quoting "a senior American official," [redacted]

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[redacted] Revelation of US knowledge of the deal not only jeopardizes our sources but also means that the lives of other US citizens may be lost in the future because [redacted]

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Other damaging leaks during the month involving US policy toward Libya included the following:

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[redacted]
[redacted] A "top ranking intelligence official" was cited as the source of the story.

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These stories exacerbated the damage caused by [redacted]
the Washington Post on [redacted]
undermined the willingness of friendly governments to assist us in protecting
Americans abroad. Moreover, the flood of classified information makes it
obvious that the US does not maintain the security of its information.

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[redacted] These disclosures were made
despite exceptional measures taken by the US Intelligence Community to
restrict knowledge of [redacted]

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[redacted] An article [redacted]
[redacted] disclosed classified intelligence information regarding US
policy [redacted] article quoted "administration sources" as saying the
President had authorized CIA [redacted]

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with a tipoff on state-of-the-art US technical surveillance countermeasure equipment.

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SUBJECT: ANNEX Unauthorized Disclosure of Classified Intelligence

Prepared by: UDAC, [REDACTED] 11 DEC

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UDAC 86-179

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